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This publication is prepared by the USSR Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the National Foreign Assessment Center. The views presented are the personal judgments of analysts on significant events or trends in Soviet foreign and domestic affairs. Although the analysis centers on political matters, it discusses politically relevant economic or strategic trends when appropriate. Differences of opinion are sometimes aired to present consumers with a range of analytical views. Comments and queries are welcome. They should be directed to the authors of the individual articles or to

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The Soviet Union and the Horn

Moscow's early interest in the Horn was probably not part of a carefully conceived plan to expand Soviet influence in sub-Saharan Africa. Moscow was attracted to the Horn by its strategic location, particularly its proximity to the Middle East with its vast oil reserves and the Indian Ocean with its major trade routes. The Soviets moved into Somalia not only because it was an opportune target for Soviet influence, but also because it could serve as a counter to the US position in Ethiopia.

The Kremlin decided to increase the stakes when it began to perceive that its involvement in Somalia could further the USSR's claim to equality with the US as a power able to project its influence far beyond its borders. The deterioration of the Soviet position in the Middle East in the early 1970s contributed to Moscow's decision to increase its presence in Somalia, in part to repair the damage to Soviet prestige and influence caused by the Soviet-Egyptian rift. In African terms, Moscow saw Somalia as another lever to exert Soviet influence in sub-Saharan Africa and perhaps as a useful base from which to exploit any opportunities in Kenya following the death of Kenyatta. Finally, Moscow certainly found Somalia a vantage point for monitoring US activity in the Indian Ocean and expanding its own presence there.

The Tilt Toward Ethiopia

Complicating the effort to discern Soviet motives in the Horn was Moscow's decision to aid Ethiopia and later to back Ethiopia in its conflict with Somalia over the Ogaden. The decision in December 1976 to aid Ethiopia led to the expulsion of the Soviets from Somalia in November 1977. Why did Moscow risk its assets there?

In the first place, Moscow was certainly aware that Ethiopia's potential for becoming an important power in the Horn/Red Sea area and in Africa was greater than

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Somalia's. Ethiopia has a population of approximately 29 million, about eight times the size of Somalia and exceeded only by Egypt in the area. Although Ethiopia is a desperately poor country, most of its land is arable with sufficient rainfall to make it a major agricultural producer in the region; the extent of its mineral wealth is uncertain. Geographically, Ethiopia dominates the lower portion of the Red Sea and its coast offers harbors, which, while less desirable than Berbera, could be useful to the Soviets.

Another factor that influenced the Soviet decision was Moscow's perception of Mengistu as a more committed, orthodox Marxist than Siad. The Soviets were uncomfortable with Siad's brand of "scientific socialism" and looked askance at his attempt to reconcile "scientific socialism" and Islam. Once the opportunity to establish a Soviet presence in Ethiopia arose, however, Moscow was not prepared to write off its investment in Somalia. The evidence suggests that Moscow calculated that it could successfully replace the US in Ethiopia and still maintain its position in Somalia. Ethiopia, believing that this was a realistic possibility, began to court Moscow in fact because it hoped that the USSR could restrain the Somalis in the Ogaden.

Moscow apparently assumed that because of Somali dependence on the Soviet Union for military aid and spare parts, it would be able to restrain Siad. In retrospect, the Soviet and Ethiopian analysis was wrong. But the Soviets did successfully balance between the two until mid-November--four months after the outbreak of hostilities in the Ogaden--and they still maintain diplomatic ties with Somalia.

The Soviets in Ethiopia

With the loss of Somalia, Ethiopia is now Moscow's sole foothold in the area. Moscow's immediate concern is to prove the value of Soviet assistance to the Ethiopians. Moscow has sent large amounts of sophisticated military equipment and several hundred Soviet advisers to Ethiopia and underwritten the cost of a substantial Cuban presence in hopes of stabilizing the Ethiopian military position as soon as possible and, in the absence of a negotiated settlement, preparing the Ethiopians to retake the Ogaden.

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A prolonged conflict between Ethiopia and Somalia might allow the Soviets to entrench themselves deeply in Ethiopia, but Moscow probably does not relish a long war because of its impact on its other interests. From the African point of view Moscow is on the right side in the Ogaden conflict, but many African states are nonetheless suspicious of the Soviet Union and would be opposed to any deliberate effort by the Soviets to continue the war. A protracted conflict might also adversely affect Soviet relations with the Western powers.

A prolonged conflict in the Horn could also have a negative impact within the Soviet Union. Although there is no evidence of friction within the leadership over Soviet policy in the Horn, differences did develop over the Soviet involvement in the Angolan conflict in 1975 and early 1976. And Moscow's involvement in the protracted no-win situation in Egypt ultimately turned into a humiliating experience for Moscow that generated some dissatisfaction by elements of the Soviet military about Soviet policy in the Middle East.

Moscow and a Negotiated Settlement

In the longer run, the Soviets may have to seek a political solution to the conflict in order to establish permanent peace in the Horn. Moscow will want to play the decisive and indispensable role in any negotiations, but it is uncertain that Soviet leaders would favor serious talks before reversing the current military situation. Soviet suggestions thus far have been deliberately ambiguous and for the most part nonstarters. Moreover Siad is unwilling to negotiate while his forces are doing well on the battlefield and Mengistu refuses to while Somali troops are in the Ogaden.

Moscow would support a settlement that allowed it to retain its dominant position in Ethiopia and that denied Somalia a major foreign backer. In effect, this would leave Moscow the dominant foreign power in the region, since Somalia, without a major patron, could not hope to compete with a Soviet-backed Ethiopia in the Horn/Red Sea areas. The Soviets do not see this as an unreasonable goal. Moscow seems to have concluded that US ties to Kenya--against which Somalia also has made territorial claims--will preclude a major US military commitment to Somalia.

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While Moscow would welcome the opportunity to regain its former status and facilities in Somalia, it is unlikely that it would sacrifice a viable, united Ethiopia to achieve this. Berbera and other Soviet facilities in Somalia were valuable and useful to the Soviets in the Indian Ocean context but are not irreplaceable. Recent Soviet activity suggests that Moscow believes that Aden and possibly one or more Ethiopian ports would be acceptable substitutes.

Moreover, Moscow probably calculates that the possibility of a return to a position of influence in Mogadiscio in the near term is remote. Even in the unlikely event that Ethiopian success in the Ogaden resulted in Siad's political demise, Moscow would probably not find it easy to return to Somalia. Even before they began to support Ethiopia, the Soviets were unpopular, and the war in the Ogaden has broad support from the Somali people.

Consequences of an Ethiopian Victory

Moscow is aware that a political solution to the Ethiopian-Somali conflict is the only way to a lasting peace in the area, but it also realizes that in the short term its Ethiopian client needs a military breakthrough. Moscow has pumped military equipment into Ethiopia faster than the Ethiopians can absorb it and in quantities in excess of what Ethiopia needs to retake Ogaden. The scale of the Soviet buildup has caused concern in some areas that Moscow might back an Ethiopian drive to overrun Somalia.

The Soviets have occasionally played on this concern, alleging that now they have given Mengistu what he needs to win and that they are not sure they can prevent his forces from crossing into Somalia. When this threat has been used, it was clearly part of an effort to get the Somalis to the negotiating table; so far the Soviet warning has not impressed the Somalis enough to bring this about.

Moscow almost certainly does not believe that its interests would be served by a large-scale Ethiopian invasion of Somalia, and the Soviets are likely to try to prevent such a move. A massive invasion of Somalia would virtually eliminate any prospect the Soviets might have

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to regain influence in Mogadiscio and would alienate many already suspicious African states. Moscow might, however, condone a tactical move to gain Somali territory for use as a bargaining chip in negotiations. Although even a move of this type would risk a negative response from African states, Moscow might calculate that the failure of the African states and the OAU to act decisively after the Somali move into the Ogaden would mute any criticism of a clearly tactical Ethiopian move into Somalia. Moscow probably also believes that it can successfully portray a limited move into Somalia as part of a determined effort to get both sides to withdraw from occupied territory and reach a negotiated settlement. If they can bring about a negotiated settlement, the Soviets no doubt believe that any loss in status stemming from their involvement could be quickly restored.

The US Connection

The Soviets cannot be confident about the level of tolerance the US will display in the future regarding Soviet activities in the Horn, but at this stage they apparently gauge the political risks as tolerable and the military risks as negligible. The USSR has not shown any sign of being intimidated by US opposition to Soviet actions, and, if the Kremlin does have reservations about possible reactions from Washington, it gives the impression that they need not be addressed until they become a reality.

Whatever their estimate of US reaction, Moscow's behavior in Ethiopia suggests that it is prepared to assume greater risks there. The Soviets probably expect that future US reactions would be graduated in rough correlation to their actions. Initially Moscow would anticipate suasion and vague threats from the US, and if Soviet involvement grows they may expect the US to support joint regional efforts in a variety of ways.

Only in the event that the level of Soviet actions continued to rise would the Soviets probably fear US reactions outside the region that would impinge directly on other areas of the bilateral relationship. They probably judge that the US would be reluctant to "link" SALT or other important bilateral issues to Soviet performance in Africa. But they are also sensitive to the possibility

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that domestic US pressures on the administration to do just that will grow if they continue or increase their heavy involvement.

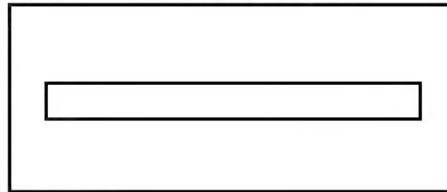
On balance, they would not expect the US to seek to penalize them in SALT or probably most other arms control forums. But they may believe that some lesser actions in the bilateral field, such as holding up an export license or canceling some planned visit, might be taken by Washington. Conceivably, moreover, they would not be surprised if the US announced suspension of such bilateral negotiations as the Indian Ocean arms restraint talks in retaliation for Soviet noncooperation and troublemaking in the Horn.

If things get worse, the Soviets would probably recognize that some further souring on detente would come to characterize US attitudes. However, although they are quite aware that even a general, atmospheric worsening could adversely affect specific bilateral dealings, they may already have concluded that the tangible benefits of detente with the US have become so devalued that the costs of further deterioration are bearable. In the past, Moscow has shown a willingness to devalue such costs if a specific Soviet foreign policy goal, such as improving the "objective" basis of Soviet influence in an important area, stands to be gained. SALT would be the most likely exception to this reasoning.

In the interim, Moscow's major worry as far as the US is concerned is that at some point the Ethiopians themselves might ask Washington to play the role of mediator in their struggle with Somalia. Presumably the recent Soviet effort to get Addis Ababa to break relations with the US was designed in part to foreclose such a possibility.

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Background on Shcharanskiy's Access to State Secrets

One of the tenets of Moscow's case against imprisoned dissident Anatoliy Shcharanskiy appears to be the claim that he had access to state secrets prior to 1973, when his initial application to emigrate to Israel was denied. It is known that Shcharanskiy worked at a civilian oil and gas research institute in Moscow before he was fired as a result of his application to emigrate. What is less well known is that Shcharanskiy apparently did have access to classified information as a student during the period from 1966 to 1972.

MFTI Connections

In 1972, Shcharanskiy graduated from the prestigious Moscow Physico-Technical Institute (MFTI), which was established in 1946 to provide a continuous flow of highly qualified scientists into Soviet defense-related research and production facilities. The institute specializes in such fields as applied physics, aero-mechanics, space research, radiotechnology, and applied mathematics. Fewer than half of all entering students are said to complete the demanding six-year course and receive their diplomas. Located in the suburb of Dolgoprudnyy about 15 kilometers north of Moscow, MFTI maintains an average enrollment of about 5,000 students. Applicants are selected on the basis of rigid and highly competitive examinations in physics, mathematics, chemistry, and English. Only 50 percent of each entering class is selected from Moscow area applicants; the remainder must come from elsewhere in the USSR. No foreign students are admitted.

All MFTI students are reportedly required to have a secret security clearance prior to being admitted. Throughout their program of study students are instructed and briefed on developments in both Soviet and foreign military-related technology in their particular areas of study, and classified references and training manuals are used in some of the studies. In addition, all

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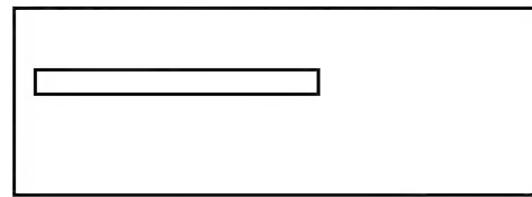
students are required to participate in a reserve officers training program, where classified training materials are also employed. In their final years of study, most MFTI students actually work at various research or production enterprises in the Moscow area, frequently in closed laboratories or production shops. Most MFTI instructors are specialists drawn from various defense-related facilities in and around Moscow who teach at MFTI on a part-time basis. Everyone at the school is briefed periodically on the importance of not disclosing information about the facility, and a KGB officer is permanently assigned to MFTI to counsel the staff and students about their foreign contacts.

Shcharanskiy was apparently one of the last Jewish students to graduate from MFTI. The school reportedly closed its doors completely to Jewish applicants in 1970 in an effort to reduce intelligence losses associated with a growing Jewish emigration problem. In the early 1960s, more than 10 percent of the students entering MFTI each year were Jewish. This figure had dropped to four percent by 1966, the year Shcharanskiy evidently entered the school. Furthermore, even those Jewish students like Shcharanskiy who did manage to get into MFTI during the 1960s have experienced serious difficulties in obtaining good jobs in defense-related facilities after graduation, despite MFTI's reputation as the best scientific educational institution in the USSR.

It is unlikely that Shcharanskiy's employment at the Moscow oil and gas research institute after his graduation involved a sensitive position with access to classified information. Accordingly, both the denial of Shcharanskiy's initial emigration application and the current Soviet claims about his access to state secrets are probably related to the classified training and knowledge that Shcharanskiy acquired while he was enrolled at MFTI. [redacted]

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Soviets Push Port Program

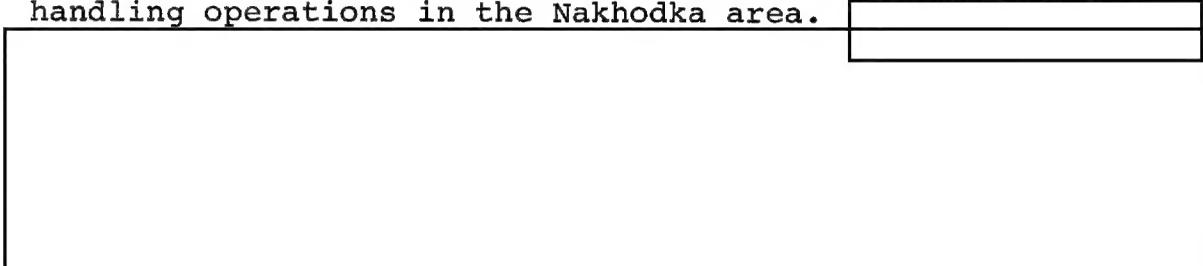
The Soviets have embarked on an ambitious port expansion and development program to increase productivity through greater specialization and mechanization. The show piece of this effort is Vostochnyy in the Soviet Far East. This new city-port complex is designed to relieve congestion at the older Soviet Far East ports and to become the principal Soviet gateway to the Pacific, a role that will greatly expand when the Baykal-Amur Railroad is completed.

Shortcomings Detailed

Deputy Foreign Trade Minister Yuri Brezhnev, son of Soviet party chief Leonid Brezhnev, has criticized Soviet port operations and facilities, claiming that dock delays have held back the Soviet economy and resulted in waste. Brezhnev stated that Soviet ports have low cargo-handling capacities and are short of modern loading equipment, heated warehouses, and cold storage facilities. He has acknowledged that unloading delays have created shortages and have led to the spoilage of goods. In addition, he noted that freight car shortages have hampered port operations and called for more energetic work from railway personnel.

The lack of an adequate labor force is a further constraint on Soviet port operations. While this does not pose a major problem in the Baltic and Black Seas at ports such as Leningrad and Odessa, the problem seriously hinders operations in the Soviet Far East, delaying cargo handling operations in the Nakhodka area.

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Remedial Action Under Plan

The need to modernize and expand Soviet port facilities is acknowledged in the current Five Year Plan (1976-1980). In 1977, for instance, emphasis was placed on increasing port capacities by constructing specialized, high productivity cargo transshipment complexes, especially in the ports of Vostochnyy, Nagayev, Novorossiysk, Il'ychevsk, Arkhangelsk, and Tuapse. Of these, the most significant is the new city-port complex being developed at Vostochnyy on Vrangel Bay, 100 kilometers northeast of Vladivostok. The complex will be completed sometime in the mid-1980s at the earliest.

Vostochnyy is to become one of the Soviet Union's major shipping centers and the future terminal of the Baykal-Amur (BAM) Railroad. Parts of this facility are already in operation, handling 1.5 million tons of cargo in 1976 and presumably a larger amount in 1977. When completed, the port's capacity is projected to be 40 million tons, four times the present cargo capacity of nearby Nakhodka. The container facility can currently handle 70,000 containers annually, about 60 percent of its eventual capacity. A woodchip berth (annual capacity, 800,000 tons) and a timber berth (annual capacity, 400,000 cubic meters) have also begun operations. In 1978, a coal complex, with an ultimate capacity of 10 million tons a year, is scheduled to open. Three additional facilities are planned: a general cargo berth, a grain berth, and a berth for chemical products.

The physical constraints on expansion at Nakhodka compelled the Soviets to undertake the construction of Vostochnyy. Without it, the Soviets would be unable to handle the export of coal and other raw materials whose exploitation will proceed with the construction of the BAM Railroad. Despite its priority, this project suffers from the labor shortages and construction delays common in distant Soviet regions such as Siberia and the Far East. When finally completed, Vostochnyy will rank as one of the world's largest ports and will play a leading role in the economic development of eastern Siberia and the Soviet Far East.

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